

FIG.1

2/16

1. YEAR OF BIRTH: \_\_\_\_\_
2. YEAR OF RETIREMENT: \_\_\_\_\_
3. MARITAL STATUS (m/s): \_\_\_\_\_
4. NUMBER OF CHILDREN: \_\_\_\_\_
5. YEAR FIRST CHILD ATTENDS COLLEGE: \_\_\_\_\_
6. YEAR SECOND CHILD ATTENDS COLLEGE: \_\_\_\_\_
7. YEAR THIRD CHILD ATTENDS COLLEGE: \_\_\_\_\_
8. YEAR FOURTH CHILD ATTENDS COLLEGE: \_\_\_\_\_
9. COST OF ONE YEAR OF COLLEGE: \$ \_\_\_\_\_
10. INCOME: \$ \_\_\_\_\_
11. LIQUID ASSETS: \$ \_\_\_\_\_
12. LIABILITIES: \$ \_\_\_\_\_
13. SPOUSE YEAR OF BIRTH: \_\_\_\_\_
14. ANNUAL INCOME NEEDED AT RETIREMENT: \$ \_\_\_\_\_
15. NUMBER OF LIVING PARENTS TO CARE FOR: \_\_\_\_\_
16. YEAR OF BIRTH OF FIRST LIVING PARENT: \_\_\_\_\_
17. YEAR OF BIRTH OF SECOND LIVING PARENT: \_\_\_\_\_
18. YEAR OF BIRTH OF THIRD LIVING PARENT: \_\_\_\_\_
19. YEAR OF BIRTH OF FOURTH LIVING PARENT: \_\_\_\_\_
20. ANNUAL COST OF CARE FOR LIVING PARENT: \$ \_\_\_\_\_
21. RISK FACTOR (1-10, WHERE 10 IS HIGH): \_\_\_\_\_

FIG.2

#### OUTPUT OF ASSET ALLOCATION MODEL

TO REACH YOUR ANNUAL INCOME AT RETIREMENT, GIVEN THE LIMITATIONS AND NEEDS YOU HAVE SPECIFIED, YOU MUST INVEST ANNUALLY IN THE FOLLOWING MANNER:

1. LONG-TERM INVESTMENTS: \$20,000
2. MEDIUM-TERM INVESTMENTS: \$10,000
3. SHORT-TERM INVESTMENTS: \$5,000

FIG.3

3/16

### PORTFOLIO SELECTION EDITOR SCREEN

1. PRICE TO EARNINGS (P/E) LIMIT: \_\_\_\_\_
2. CAPITALIZATION FLOOR (\$MILLIONS): \_\_\_\_\_
3. SPECIFIC SECTORS
  - a. TELECOMMUNICATIONS: \_\_\_\_\_
  - b. SOFTWARE: \_\_\_\_\_
  - c. COMPUTER: \_\_\_\_\_
  - d. MANUFACTURING: \_\_\_\_\_
  - e. CHEMICAL: \_\_\_\_\_
  - f. BANKING: \_\_\_\_\_
  - g. TRANSPORTATION: \_\_\_\_\_
  - h. MEDICAL: \_\_\_\_\_
  - i. INSURANCE: \_\_\_\_\_
  - j. REAL ESTATE: \_\_\_\_\_
  - k. ENTERTAINMENT: \_\_\_\_\_
  - l. OIL: \_\_\_\_\_
  - m. ENERGY: \_\_\_\_\_
  - n. UTILITIES: \_\_\_\_\_
4. EXCLUDE COMPANIES WITH NEGATIVE MANAGEMENT PRACTICES (SEE DEFINITION IN HELP): \_\_\_\_\_
5. EXCLUDE COMPANIES WITH NEGATIVE LABOR PRACTICES (SEE DEFINITION IN HELP): \_\_\_\_\_
6. EXCLUDE COMPANIES WITHOUT ORGANIZED LABOR WORKFORCES: \_\_\_\_\_
7. INCLUDE EMPLOYEE OWNED COMPANIES: \_\_\_\_\_
8. INCLUDE ENVIRONMENTALLY GREEN COMPANIES: \_\_\_\_\_
9. INCLUDE ONLY DOMESTIC COMPANIES: \_\_\_\_\_
10. INCLUDE FOREIGN COMPANIES: \_\_\_\_\_
11. RISK LIMIT RELATIVE TO S&P 500: \_\_\_\_\_
12. RATE OF RETURN LIMITATION RELATIVE TO S&P 500: \_\_\_\_\_

FIG.4A

CATEGORIES OF STARTING POINTS FOR PORTFOLIO CREATION

71 INDICES & STRATEGIES	72 AFFINITY GROUPS	73 TYPES OF STOCKS	74 SIMILAR DEMOGRAPHICS	75 RECOMMENDED PORTFOLIOS	76 DEFAULT
S&P 500 DOW JONES 30 INDUSTRIALS RUSSELL 2000 10 UNDERPER- FORMING STOCKS OF THE DOW . . .	CEO's CFO's FUND MANAGERS STOCKBROKERS LAWYERS IN D.C. UNIONS CHARITIES ENGINEERS IN SILICON VALLEY . . .	LARGE CAPS SMALL CAPS ASIAN STOCKS ON NYSE UNDER PERFORMING STOCKS HIGH TECH STOCKS . . . .	AGE INCOME BRACKET MARITAL STATUS NUMBER OF CHILDREN . . . 77	FORBES MONEY MAGAZINE WASHINGTONIAN . . .	SYSTEM DEFAULT PORTFOLIO

70

FIG.4B

5/16

COMPANY	RISK RELATIVE TO S&P 500 (TWELVE MONTH VALUES)	DIFFERENTIAL RATE OF RETURN RELATIVE TO S&P 500 (LAST 12 MONTHS)
1. COMPANY A (2.5%)	0.91	-10%
2. COMPANY B (2.5%)	0.89	-11%
3. COMPANY C (2.5%)	0.95	-5%
4. COMPANY D (2.5%)	0.94	-6%
5. COMPANY E (2.5%)	0.93	-7%
6. COMPANY F (2.5%)	0.98	-2%
7. COMPANY G (2.5%)	1.10	+10%
8. COMPANY H (2.5%)	1.12	+12%
9. COMPANY I (2.5%)	0.95	-4%
10. COMPANY J (2.5%)	0.90	-10%
11. COMPANY K (2.5%)	0.70	-20%
12. COMPANY L (2.5%)	1.13	+11%
13. COMPANY M (2.5%)	1.5	+20%
14. COMPANY N (2.5%)	0.8	-15%
15. COMPANY O (2.5%)	1.4	+12%
16. COMPANY P (2.5%)	1.2	+10%
17. COMPANY Q (2.5%)	1.01	+1%
18. COMPANY R (2.5%)	0.99	-0.1%
19. COMPANY S (2.5%)	1.15	+12%
20. COMPANY T (2.5%)	1.7	+25%
21. COMPANY U (2.5%)	1.72	+26%
22. COMPANY V (2.5%)	1.55	+20%
23. COMPANY W (2.5%)	0.88	-10%
24. COMPANY X (2.5%)	0.77	-15%
25. COMPANY Y (2.5%)	0.99	-1%
26. COMPANY Z (2.5%)	1.22	+18%
27. COMPANY AA (2.5%)	1.33	+22%
28. COMPANY AB (2.5%)	0.88	-11%
29. COMPANY AC (2.5%)	0.9	-1%
30. COMPANY AD (2.5%)	1.14	+11%
31. COMPANY AE (2.5%)	1.9	+29%
32. COMPANY AF (2.5%)	0.6	-30%
33. COMPANY AG (2.5%)	0.77	-15%
34. COMPANY AH (2.5%)	0.9	-10%
35. COMPANY AI (2.5%)	0.92	-8%
36. COMPANY AJ (2.5%)	0.91	-9%
37. COMPANY AK (2.5%)	0.6	-30%
38. COMPANY AL (2.5%)	1.15	+10%
39. COMPANY AM (2.5%)	1.55	+25%
40. COMPANY AN (2.5%)	1.91	+30%

FIG.5

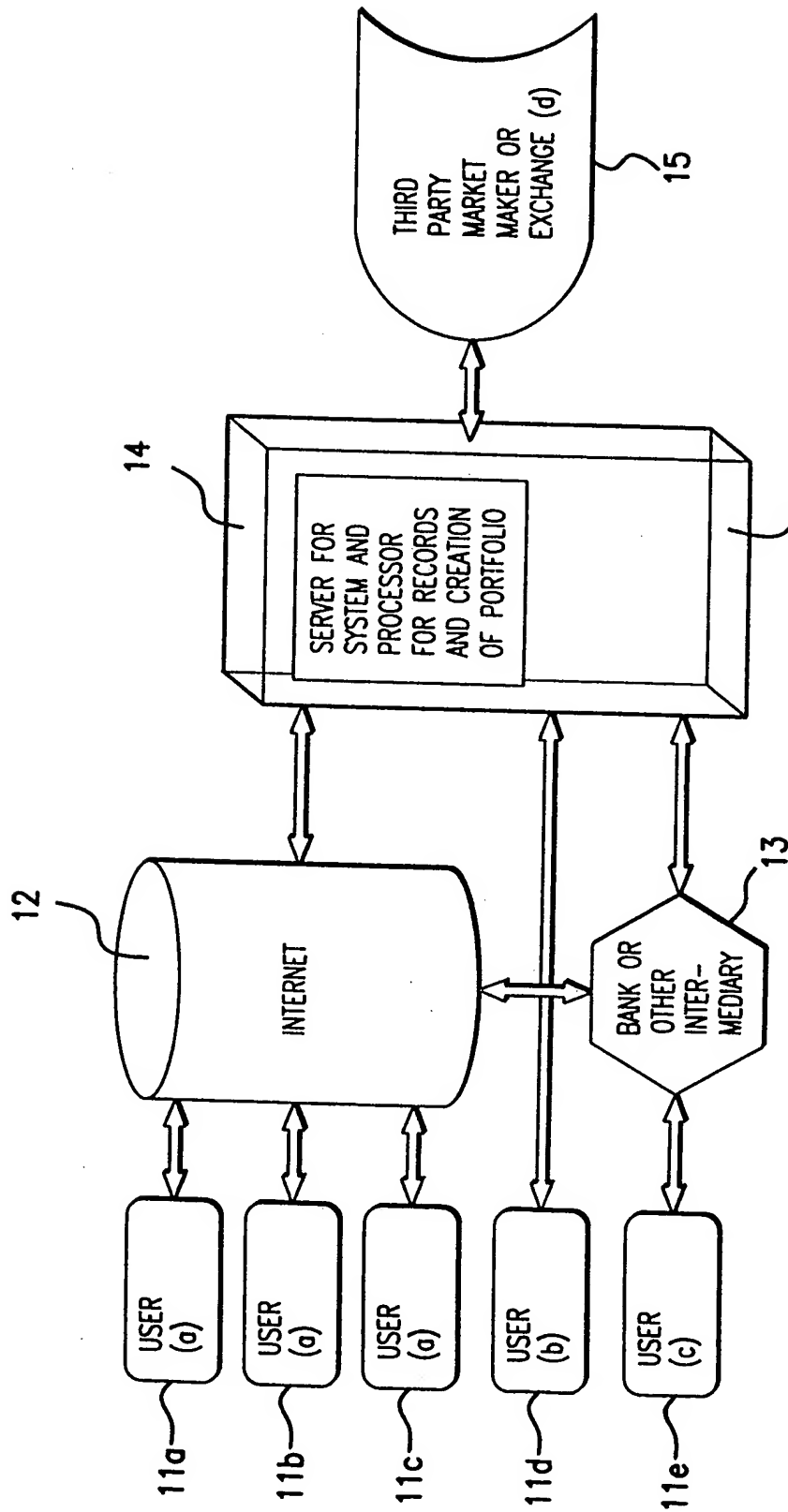


FIG. 6

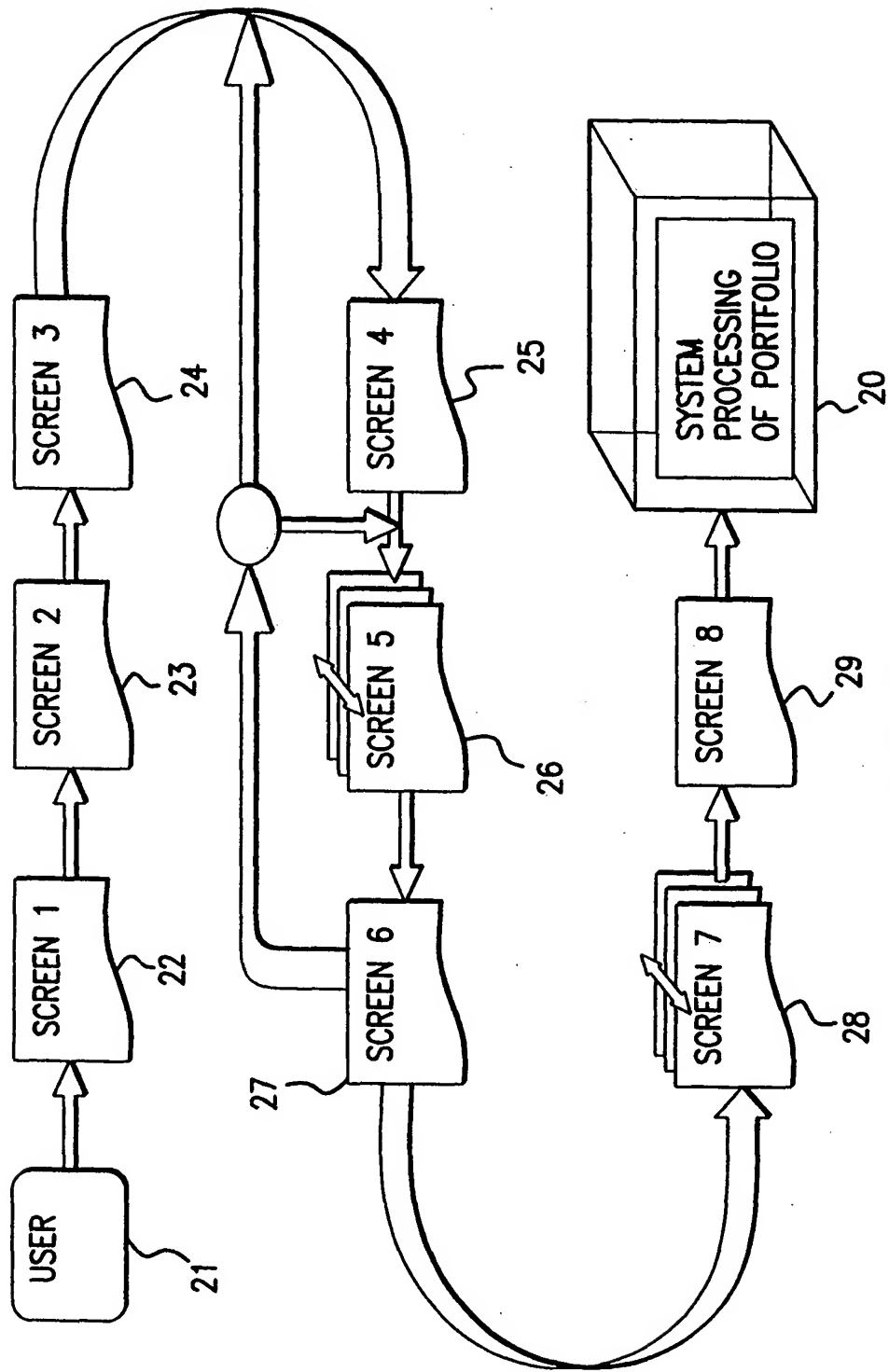


FIG.7

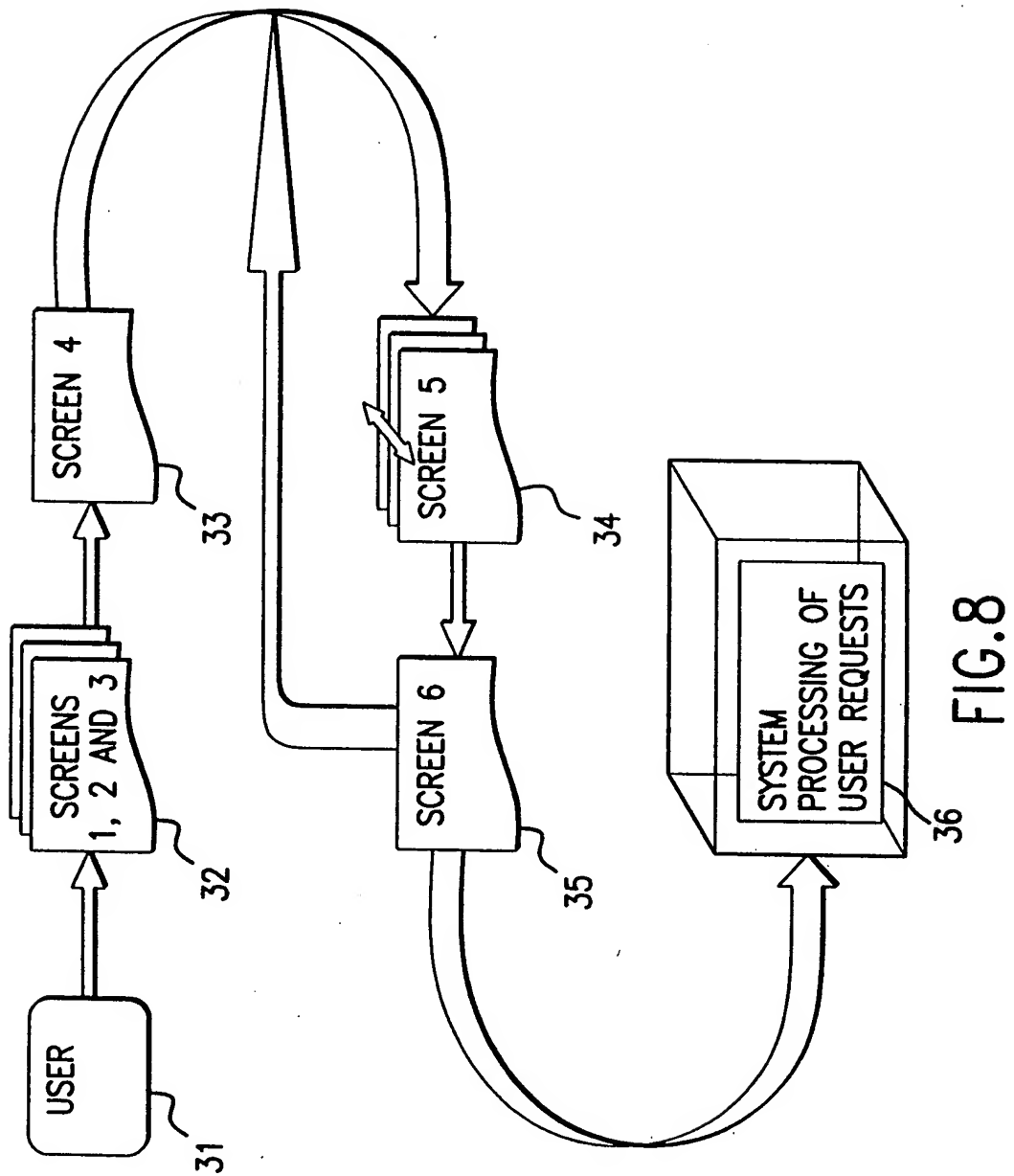


FIG.8



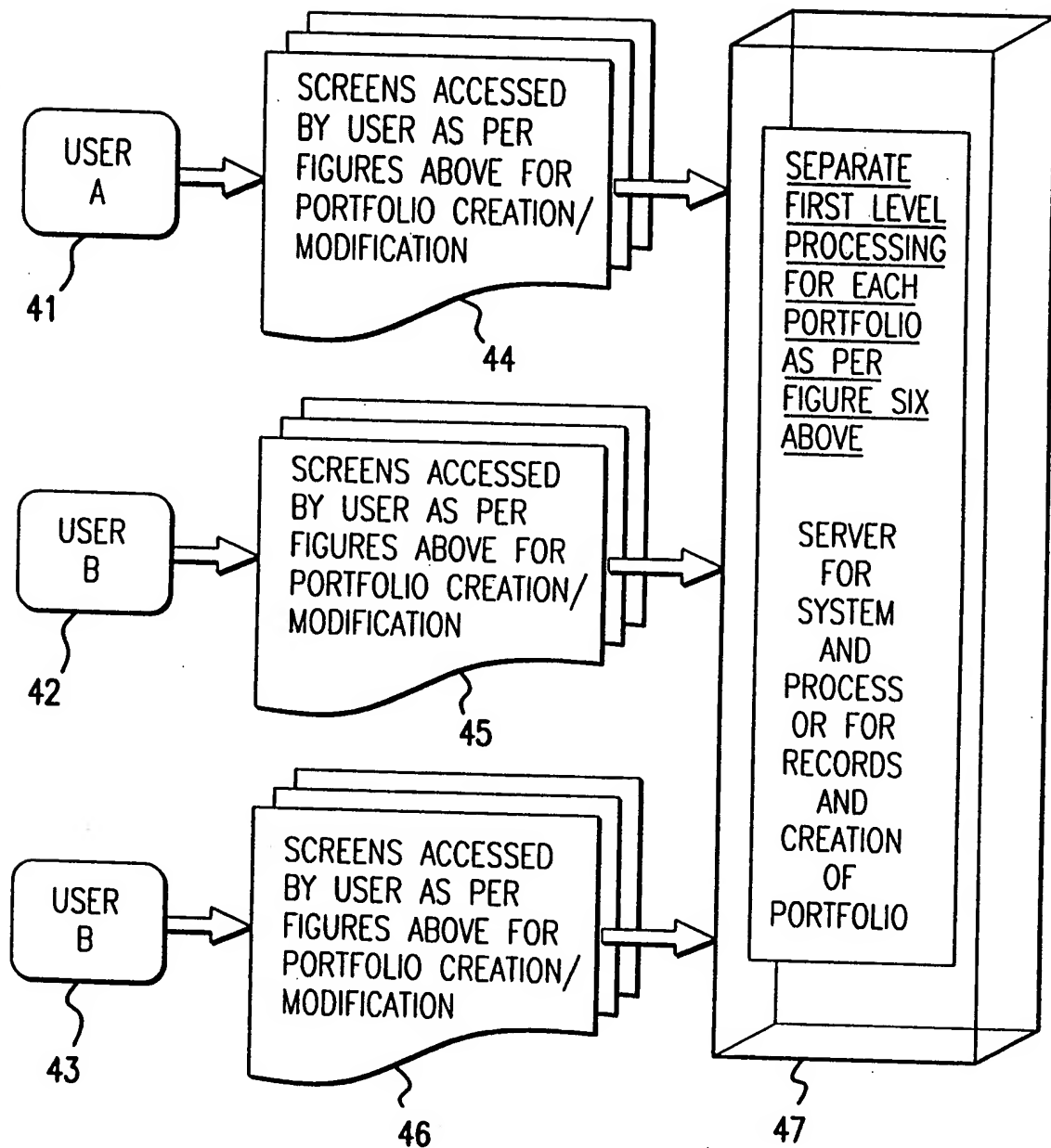


FIG.9

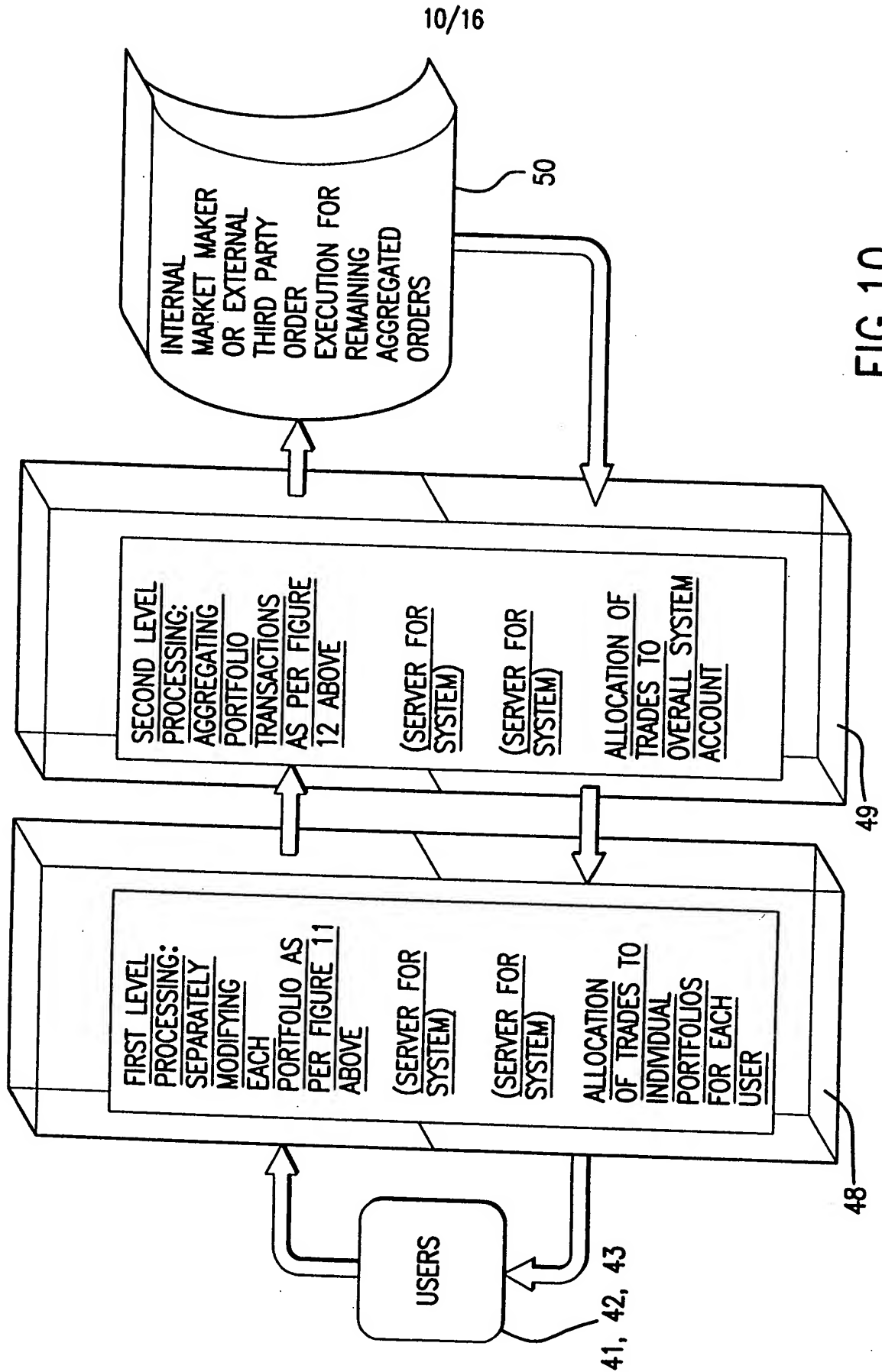


FIG. 10

11/16

SAMPLE RESULTS FROM  
USER SELECTIONS AND INDIVIDUAL PORTFOLIO PROCESSING  
AS PER FIG 10(48)

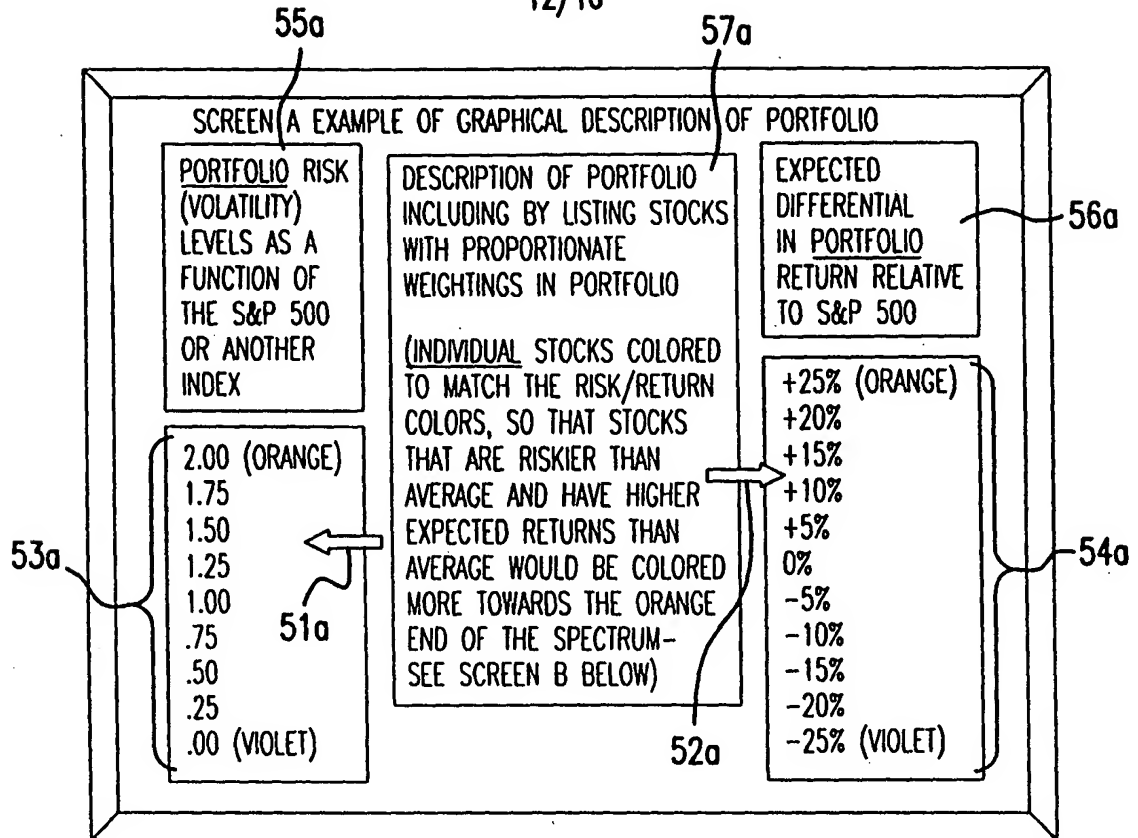
USER BY RESULT OF PORTFOLIO ADJUSTMENT	SECURITY A		SECURITY B		SECURITY C	
	BUY	SELL	BUY	SELL	BUY	SELL
USER A	100		200		100	
USER B		50		50		100
USER C	150			150		50
NUMBER OF TRADES UNDER TRADITIONAL BROKERAGE; TOTAL=9	2	1	1	2	1	2

FIG.11

SAMPLE RESULTS FROM  
AGGREGATION OF INDIVIDUAL PORTFOLIOS PROCESSED THROUGH THE  
PRESENT INVENTION'S ALGORITHM'S USED IN FIG 10(49)

TOTALS	250	50	200	200	100	150
NET USER TRADES	200		0			50
NUMBER OF TRADES WITH THE PRESENT INVENTION (NO NETTING)	1	1	1	1	1	1
NETTED=2	1					1

FIG.12



57c

57b

58b

56b

SCREEN B (DETAIL OF SAMPLE PORTFOLIO LISTING IN SCREEN A)

RISK RELATIVE TO S&P 500	STOCK	% IN PORTFOLIO	DIFFERENTIAL RETURN RELATIVE TO S&P 500
.9 (BLUE)	A COMPANY COMMON	5	-15% (BLUE)
.8 (INDIGO)	B COMPANY PREFERRED	5	-25% (INDIGO)
.7 (VIOLET)	C COMPANY BOND	10	-15% (BLUE)
1.7. (ORANGE)	D COMPANY NON-U.S. COMMON	35	+25% (ORANGE)
1.6 (YELLOW-ORANGE)	E COMPANY COMMON	25	+20% (YELLOW-ORANGE)
.95 (GREEN-BLUE)	F COMPANY COMMON	20	0% (GREEN)

55b

55c

55d

55e

55f

55g

55h

56c

56d

56e

56f

56g

56h

FIG.13

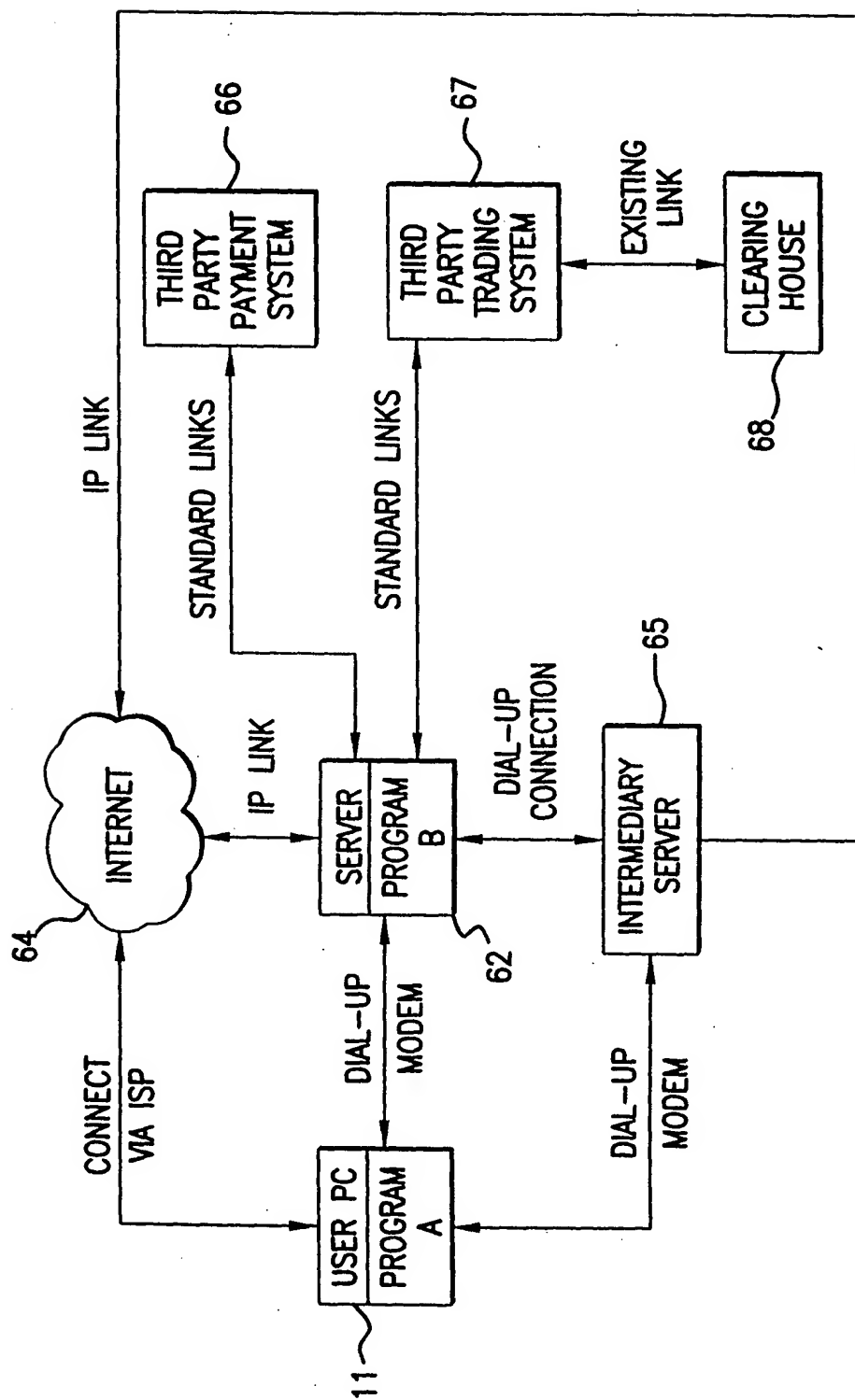


FIG.14

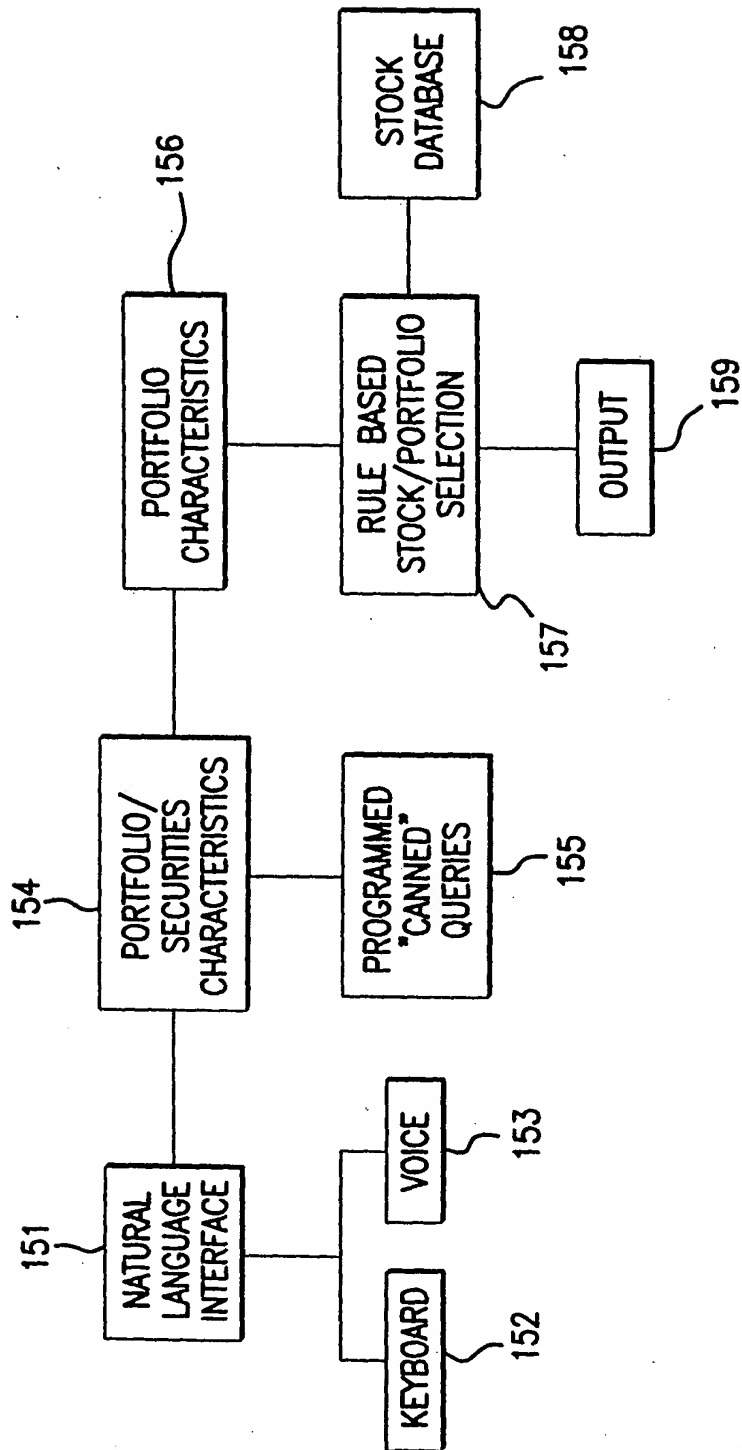


FIG.15

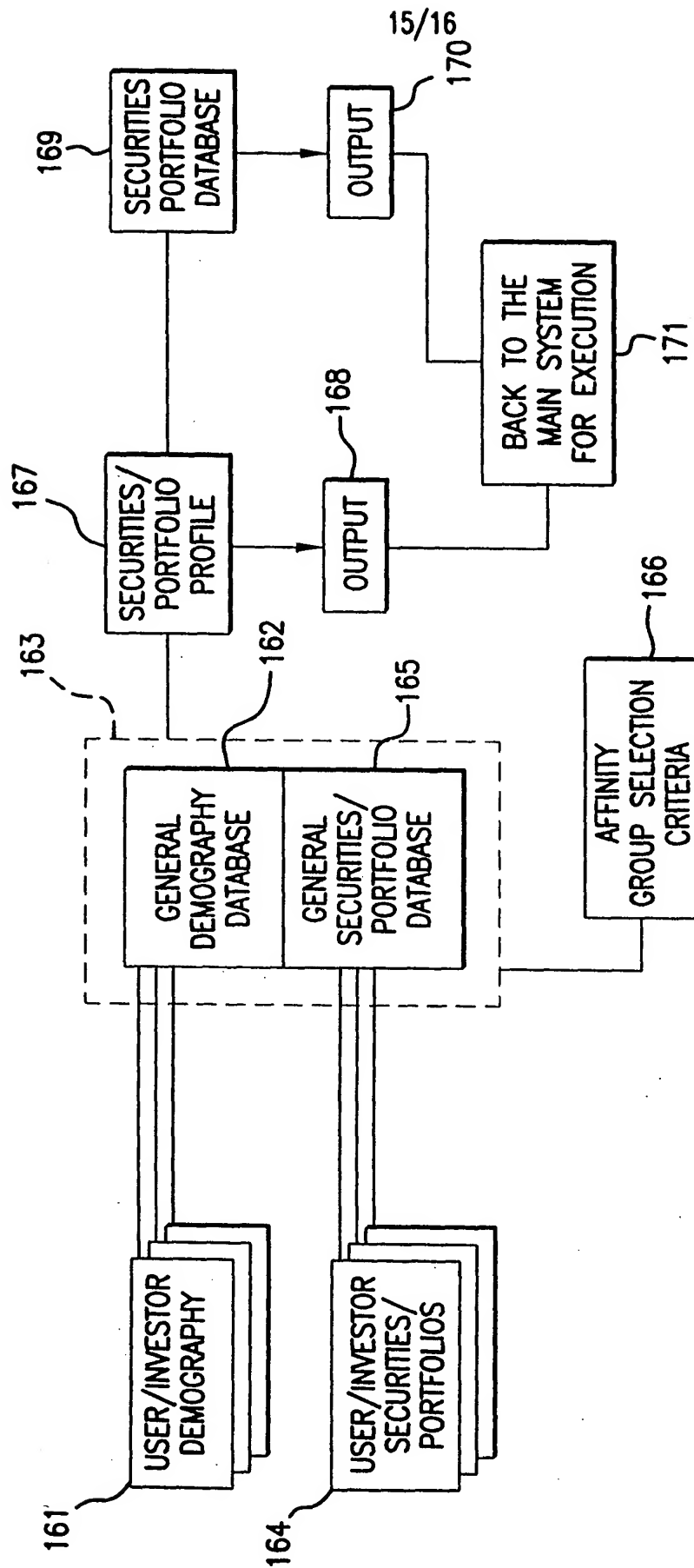


FIG.16

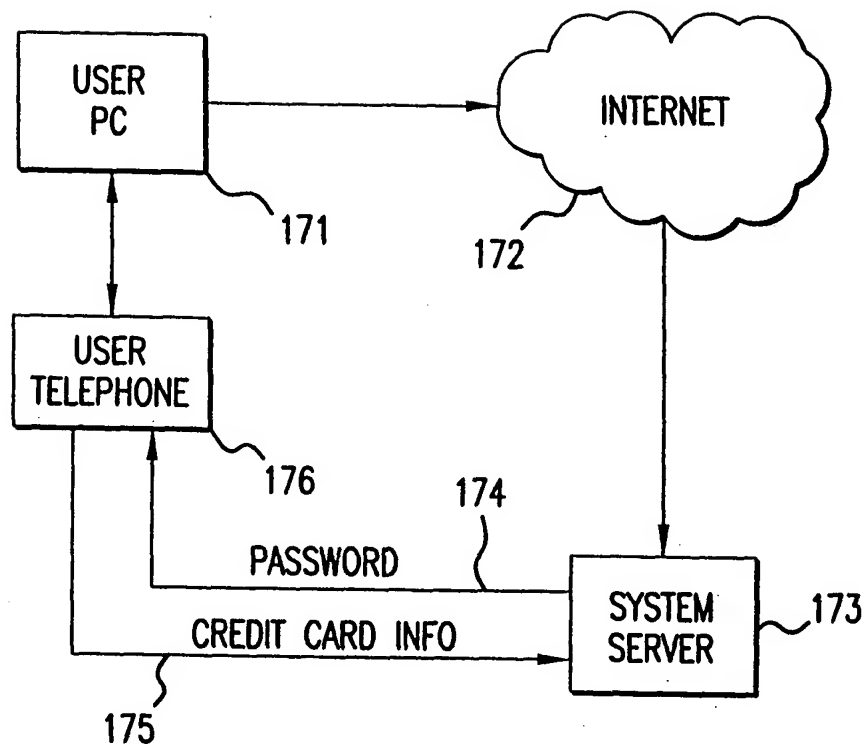


FIG.17